GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:126
ANSWERED ON:16.11.2007
KARTIKA SAKA INCREASE IN THE EXPENDITURE ON CHARITABLE WORK BY COMPANIES
Renge Patil Shri Tukaram Ganpatrao;Thummar Shri Virjibhai

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether Government is aware that several companies have shown 100 percent increase in the expenditure on charitable works;

(b) whether such expenditure is being done in order to cheat the Government and to evade taxes;

(c) if so, the reactions of the Government thereto; and

(d) the steps taken by the Government in this regard ?

Answer

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA)

(a) : A company may contribute any amount to charitable and other funds not directly related to its business or the welfare of its employees in accordance with the Companies Act, 1956. Specific data about expenditure by companies in this regard is not maintained.

(b) to (d): Do not arise.